

CITY OF MOUNTAIN VIEW RISK MANAGEMENT INSURANCE GUIDELINES

INSURANCE REQUIREMENTS FOR CONTRACTS

Policy Statement

It is the policy of the City of Mountain View to require insurance coverage of all persons with whom the City does business in an effort to minimize the risk of loss and liability to which the City of Mountain View may be exposed. The City's insurance coverage cannot completely mitigate all risks of exposure; other forms of contractual risk transfer are often required. Certificates of insurance and waivers of liability are some of the common methods emphasized in this policy.

Procedures

All contracts, except those specifically authorized and those of a unique nature, shall require the contracting party to furnish original certificate of insurance and endorsements for \$1 million of commercial general liability (CGL) insurance naming the City of Mountain View as an additional insured. Professional liability insurance in the amount of \$1 million may also be required, depending on the project. Additionally, any contracting party operating or utilizing vehicles in connection with the work being performed for the City will be required to obtain and produce evidence of automobile liability coverage in the amount of \$1 million. The City of Mountain View will also be named as an additional insured under an automobile liability policy. Lastly, the contracting party shall obtain statutory Workers' Compensation insurance and employers' liability insurance in the amount of \$1 million. Insurance coverage shall be subject to the approval of the contract manager and/or the Risk Manager and shall be provided through carriers with a *Best Rating Guide* rating of A:VII or higher.

Please note that all CGL and auto certificates of insurance must be accompanied by an additional insured endorsement. Only the endorsement confers insurance coverage for the City and allows the City to be directly reimbursed for any claims. A certificate only shows proof of insurance and does not provide any coverage for the City.

Contracts which involve unusual or high-risk services should be reviewed by the Risk Manager and the City Attorney prior to drafting and submission for processing.

High-risk services include, but are not limited to, hazardous work situations, serving or furnishing of alcoholic beverages, joint services or purchase agreements with other jurisdictions.

All contracts are to specify insurance requirements for every contracting party. Additionally, all contracting parties who come into contact with children or who handle food will be required to comply with applicable Federal, State or local regulations that require fingerprinting, TB testing or other requirements prescribed by law.

Processing

All contracts submitted shall contain insurance language found in the Document Processing document FIN-F038. The contract manager will select the necessary types of insurance depending upon the type and scope of work within the contract.

All contracts shall be sent to the Finance and Administrative Services Department for the appropriate financial approval. Certificate of insurance and endorsements should be attached to the contract. High-risk contracts or other risk management questions will be referred to the Risk Manager by the contract manager for review before submitting for financial approval.

Contractors shall not be permitted to commence work until the provisions of this policy have been implemented and a completed contract with appropriate signatures has been received. Contract managers must also ensure that coverages are kept current during the entire contract period.

Examples of Insurance Requirements

Listed on Exhibit 1 is a matrix of some examples of the most common types of insurance requirements of the City. This list is not intended to cover every exposure; additional questions or concerns may be forwarded to the City's Risk Manager.

Exhibit 2 is a sample of a certificate of insurance highlighting sections that should be specifically reviewed by the contract manager.

Required Provisions

1. The City of Mountain View, its officers, officials, employees and volunteers are to be covered as additional insured by Endorsement CG 20 10 11 85 for Commercial General and Automobile Liability coverage.
2. For any claims related to this project, the contractor's insurance coverage shall be primary and any insurance or self-insurance maintained by CITY, its officers, officials, employees and volunteers shall not contribute to it.
3. Each insurance policy required shall be endorsed that a thirty (30) day notice be given to CITY in the event of cancellation or modification to the stipulated insurance coverage.
4. In the event the contractor employs subcontractors as part of the work covered by an Agreement, it shall be the responsibility of the contractor to ensure that all subcontractors comply with the same insurance requirements.

Acceptability of Insurers

Insurance coverage shall be subjected to coverages provided through carriers with a *Best* rating of A:VII.

Verification of Coverage

Insurance, deductibles or self-insurance retentions shall be subject to the City's approval. Original certificates of insurance with endorsements shall be received and approved by the City before work commences, and insurance must be in effect for the duration of the contract.

THE CITY OF MOUNTAIN VIEW'S INSURANCE REQUIREMENTS

Type of Activity	Specifications and Minimum Limits
Professional Services Contracts including consultants, architects, engineers, hospitals, clinics, counselors, attorneys and accountants	<p>Professional Liability/Errors & Omissions \$1,000,000 per occurrence. *Professional Liability insurance is to protect the City against losses that may result from the consultant's negligence or omissions.</p> <p>Commercial General Liability (including operations, products and completed operations) \$1,000,000 per occurrence for bodily injury, personal injury and property damage.</p> <p>Automobile Liability \$1,000,000 per accident for bodily injury and property damage. Coverage should indicate "Any Auto." *Required when the consultant will use an auto in any phase of work performed for the City.</p> <p>Workers' Compensation/Employer's Liability As required by the State of California; \$1,000,000 per accident. *If consultant is a sole proprietor, Workers' Compensation will be waived, however.</p>
Service Contracts including janitorial services, movers, on-site equipment maintenance	<p>Commercial General Liability \$1,000,000 per occurrence.</p> <p>Automobile Liability \$1,000,000 per accident bodily injury and property damage. Coverage should indicate "Any Auto."</p> <p>Workers' Compensation/Employer's Liability As required by the State of California; \$1,000,000 per accident for bodily injury or disease.</p>

EXHIBIT 1

Type of Activity	Specifications and Minimum Limits
Construction Projects Contracts	<p>Commercial General Liability \$1,000,000 per occurrence. *Contractor shall include all subcontractors as insureds under its policies OR shall furnish the City Certificates of Insurance and endorsements for each subcontractor. **Major construction projects require higher limits.</p> <p>Automobile Liability \$1,000,000 per accident.</p> <p>Workers' Compensation/ Employer's Liability As required by the State of California; \$1,000,000 per accident for bodily injury or disease.</p> <p>Builder's Risk or Course of Construction Completed value of project. *City shall purchase coverage and premium will be included in the funding for project. Intended for new construction of larger size.</p>
Tenant and Concessionaires Contracts including gift shops, food and beverage concessions, and other rental space to lessees who have full- or part-time employees.	<p>Commercial General Liability \$1,000,000 per occurrence.</p> <p>Workers' Compensation/ Employer's Liability As required by the State of California; \$1,000,000 per accident for bodily injury or disease.</p>
Environmental Contractors and Consultants	<p>Professional Liability or Errors and Omissions or Pollution or Asbestos Pollution Liability \$1,000,000 each occurrence. *Shall be maintained for five years after contract completion.</p> <p>Commercial General Liability \$1,000,000 per occurrence.</p> <p>Automobile Liability \$1,000,000 per accident.</p> <p>Workers' Compensation/ Employer's Liability As required by the State of California; \$1,000,000 per accident for bodily injury or disease.</p>

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)

PRODUCER

1

This block identifies the Agent or Broker

2

This notice confirms the provisions of the California Insurance Code, Section 384. Other states have similar provisions. It states that the policy, not the certificate governs coverage.

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURED

4

The Insured is your entity's contractor or lessee.

INSURER A:

INSURER B:

INSURER C:

INSURER D:

INSURER E:

3

The insurer will be identified here. The insurer letter appears again in the left hand margin near the center of the page to show which insurer provides which type of coverage.

COVERAGES

5

This notice again states that the policy supersedes the certificate form

THE POLICIES OF INSURANCE MAY REQUIREMENT, IT MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR

INSR

LTR

TYPE OF INSURANCE

POLICY NUMBER

POLICY EFFECTIVE

DATE (MM/DD/YY)

POLICY EXPIRATION

DATE (MM/DD/YY)

LIMITS

8

3

GENERAL LIABILITY

COMMERCIAL GENERAL LIABILITY

CLAIMS MADE OCCUR

6

GEN'L AGGREGATE LIMIT APPLIES PER:

POLICY PROJ. LOC.

AUTOMOBILE LIABILITY

ANY AUTO

ALL OWNED AUTOS

SCHEDULED AUTOS

HIRED AUTOS

NON-OWNED AUTOS

This section and those immediately below show the type of coverage provided through the agent or broker identified in "1" above. If the insured uses more than one broker, this certificate will not identify all existing.

7

This column shows inception and expiration dates for policies identified. Pay special attention that coverage does not expire before or during your project or lease.

EACH OCCURRENCE

\$

FIRE DAMAGE (Any one fire)

\$

MED EXP (Any one person)

\$

PERSONAL & ADV IN

GENERAL AGGREGATE

PRODUCTS - COMP

This column identifies limits per occurrence and aggregate for each type of coverage afforded. Pay special attention to low aggregate limits for public works-type contractors. Losses on other jobs may reduce your coverage.

COMBINED SINGLE

(Ea accident)

BODILY INJURY

(Per person)

BODILY INJURY

(Per accident)

PROPERTY DAMAGE

(Per accident)

\$

AUTO ONLY - EA ACCIDENT

\$

OTHER THAN

AUTO ONLY:

EA ACC

\$

AGG

\$

EACH OCCURRENCE

\$

AGGREGATE

\$

\$

\$

\$

\$

W/C STATU-

TORY LIMITS

OTH-

ER

E.L. EACH ACCIDENT

\$

E.L. DISEASE - EA EMPLOYEE

\$

E.L. DISEASE - POLICY LIMIT

\$

GARAGE LIABILITY

ANY AUTO

EXCESS LIABILITY

OCCUR

CLAIMS MADE

DEDUCTIBLE

RETENTION

\$

WORKERS COMPENSATION AND EMPLOYERS' LIABILITY

OTHER

DESCRIPTION OF OPERATIONS, LOCATIONS, VEHICLES, EXCLUSIONS, ADDED BY ENDORSEMENT, SPECIAL PROVISIONS

9

This section will usually be used to restrict coverage to a specific job or lease. Watch for restrictions that would omit the coverage required by your specification.

Cancellation provisions as written guarantees nothing. Some brokers will cross out the words "endeavor to" but this still does not amend the policy.

10

Certificate holder is your entity.

INSURED; INSURER LETTER:

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

12

The authorized representative of the insurer should be an employee, unless the agent or broker is specifically authorized to sign on behalf of the company.



CHAPTER FOUR

Reproduction of Insurance Services Office, Inc. Form

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED—OWNERS, LESSEES OR CONTRACTORS (FORM B)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

Name of Person or Organization:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you.

Obtaining Verification of
Compliance
Chapter 4

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Notice of Cancellation: It is understood and agreed that in the event of cancellation of the Policy for any reason other than non-payment of premium, 30 days written notice will be sent to the certificate holder by mail. In the event the policy is canceled for non-payment of premium, 10 days written notice will be sent to the above.